436 sixty per cent note and a forty per cent bullion backing. Yang Tseng-hsin, military governor immediately after abdication of the Manchus, 652 even permitted additional notes to be issued to make up for discon- 436 tinuance of the imperial subsidy. It was, however, during the governorship of Chin Shu-jen and the years of the Moslem revolt that the gradual devaluation in Sinkiang currency became most alarming. In the period, 1912-1929, three Sinkiang dollars (taels or *liang*) at the lowest would exchange for one dollar of Chinese Nationalist currency (*yüan*). Yet by 1934 the Sinkiang note issue had grown so excessive—it is said to have amounted to more than 1,200,000,000 taels—that one Chinese Nationalist dollar at times would buy more than 4,000 Sinkiang dollars. How well Sheng Shih-ts'ai's administration met this serious predicament is suggested by the report that a Sinkiang Province dollar by 1942 had become worth six Chinese Nationalist dollars—although, to be sure, the Chinese Nationalist dollar had by then itself lost value through severe inflation.

Many Chinese writers attribute the change in the provincial monetary situation to Sheng's numerous reforms. Among such reforms, the 1939 reorganization of the Sinkiang Provincial Bank into a commercial [453] bank with an expanded field of operations is especially notable. This new Sinkiang Commercial Bank began to issue new notes, took steps to improve and to unify Sinkiang currency, and undertook to withdraw old notes from circulation. It has been remarkably successful in carrying out this program, and the Sheng Shih-ts'ai administration does deserve praise in this connection. But it would be a mistake not to realize that the greater exchange value of the Sinkiang dollar is in part due to at least two other major factors: (1) Sinkiang's protected geographical position at the rear of the Chinese War of Resistance; and (2) Soviet Russian credits. Chao Lieh, a Chinese authority on Sinkiang to whom I have already referred, gives these credits particular emphasis. By 1941, he writes, Sinkiang is said to have borrowed a total of 15,000,000 rubles from Soviet Russia. Though this money went for many purposes, such as purchase of machinery and trucks, one of its most important functions was to serve as backing for Sinkiang currency. It is doubtful if Sheng could have come near stabilization of his province's monetary unit in the years 1933-1941 without such credits.

000 planted in these tracts.

668 185 241 We have cited some of the achievements that have taken place and the general direction of agricultural development. We must be careful about accepting all figures and recognize that many targets are not met but often revised midway through the year until they can be met. When one looks at the entire scheme of development taking place it is important to remember that each group in this scheme has certain commitments to meet as set by the plan for that year. Survey teams are supposed to provide definite information about the amount of land to be reclaimed each year. If their information is not accurate, (and there have been complaints to this effect) then those units which reclaim the land are put off schedule, the proper cultivation and sowing cannot be done, and the intended output is not realized. Such intricate planning can lead to grievous bottlenecks in the attainment of planned goals.

Further defects that have been reported are as follows: there has been inadequate hydrographic and meteorological data for farming and animal husbandry. There has not been the correct coordinated activity between State and commercial enterprises to supply the necessary producer and consumer goods for the agricultural and pastoral co-ops. The People's Bank has been [452] unable to give the needed credit and credit cooperatives and credit [453] groups still have to absorb idle capital and halt usurious practices among the peasants, which still seem to prevail six years after "liberation." The Communists report that rich peasants, and so-called counter-revolutionary elements are still causing trouble by "sabotage" and the spreading of rumors which obstruct Communist policy.

According to observations made by some agricultural stations in Sha-ya County the peasants in many districts placed emphasis only on the summer harvest, and neglected the cotton, mazie and rice crops that are reaped in autumn. This meant that the peasants were devoting more of their attention to harvesting a wheat crop, a food item, and neglecting other farm crops that the state was so urgently emphasizing. In Kuerhlei County there were complaints that the peasants were not picking the cotton at the appropriate time and their delay in doing so had allowed much of the ripe cotton to fall to the ground and rot. This occurred in many of the villages throughout the county. Again the Communists complained of the peasants' lack of care for their farming tools and that damage frequently resulted from mechanical troubles and carelessness.

668 241 The principal difficulty to date has been the acute shortage of technical cadres in the province and among the local minority nationalities. To solve this problem, several agricultural institutes have been erected to train indigenous groups. But this